UNITED STATES DISTRICT COURT EASTERN DISTRICT OF NORTH CAROLINA WESTERN DIVISION

| INTERNAL REVENUE SERVICE, |) |
|---|----------------------|
| United States of America, by and through the US |) JUDGMENT |
| Attorney on behalf of the foregoing, | |
| Appellant, |) No. 5:06-CV-371-BR |
| |) |
| v. |) |
| |) |
| PREFERRED ALTERNATIVES OF TENNESSEE | ,) |
| INC., |) |
| Appellee. |) |

Jury Verdict. This action came before the Court for a trial by jury. The issues have been tried and the jury has rendered its verdict.

IT IS ORDERED, ADJUDGED & DECREED that the court AFFIRMS the bankruptcy court's order of 21 April 2006.

This Judgment Filed and Entered on September 24, 2007 and Copies To:

Neal Fowler

U. S. Dept. of Justice 310 New Bern Ave. Suite 800 Raleigh, NC 27601

William P. Janvier

Everett Gaskins Hancock & Stevens, LLP P. O. Box 911 Raleigh, NC 27602-0911

SEPTEMBER 24, 2007

/s/ DENNIS P. IAVARONE, CLERK